

6428

Testimony of Tom Swan  
Labor and Public Employees  
3/1/2011  
In support of SB 913 and HB 6428

Good Afternoon Senator Prague, Representative Zalaski and members of the Labor and Public Employees, my name is Tom Swan and I am the Executive Director of the CT. Citizen Action Group (CCAG). On behalf of CCAG's over 20,000 member families I want to express our thanks and support for SB 913 AA Mandating Employers Provide Paid Sick Leave to Employees and HB 6428 AAC State Financial Assistance and Employers that have transferred jobs out of the state.

In terms of paid sick days I want to congratulate the Committee on your perseverance and willingness to bring this bill forward again this year and to associate myself with the comments of the other supporters. This bill will be good for Connecticut's economy, our families and our health.

As to HB 6428 I want to strongly commend you for raising this important bill and to recommend some ways that you may want to improve it. Connecticut has been and is a very business friendly state and our quality of life remains much higher than most states. We have committed hundreds of millions of dollars to support business through a series of grants, loans, tax breaks, etc to encourage businesses to operate here. According to an Ernst and Young study on state and local business tax revenues for 2009, CT had the 5<sup>th</sup> lowest in total state and local business tax revenues among states when compared to the level of private sector activity in each state.

While HB 6428 will not change the fact that Connecticut taxes businesses at a lower rate than the vast majority of states, but it will demand some degree of accountability for companies that receive aid, loans and tax breaks. It is outrageous that the CEO of UTC took home more than \$20 million last year while spending much of it trying to eliminate CT jobs in violation of clear contractual language. Another example is the CEO of Aetna recently throwing tantrums saying that if CT passed sound public policy he would ship jobs elsewhere. These CEO's have every right to be the jerks they have been, but if they choose to act accordingly the taxpayers of CT should not be left holding the bag. We have given each of these companies millions of dollars in subsidies and their respective workforces are a fraction of what they once were in CT.

HB 6428 has the potential to end these types of hostage taking proposals in CT. It would allow for these and other companies to follow through on their threats but ensure that CT taxpayers are able to recoup some of our investment. We would propose that the reach back provision gets phased in and go up to five years and that the legislation make clear that the tax abatements includes credits and exemptions (like from taxes on investment income). We also believe that there should be a process where companies facing a real economic hardship can appeal the claw backs to DECD and DECD can waive this provision subject to legislative approval.

Thank you once again and we look forward to working with you to make these concepts a reality.